

ANNEX B**REPORT OF THE PARISH REMUNERATION PANEL****ALLOWANCES FOR MEMBERS OF PARISH AND TOWN COUNCILS****MILTON KEYNES COUNCIL****March 2014****INTRODUCTION**

1. The Independent Remuneration Panel (IRP) for Parish and Town Councils was convened by Milton Keynes Council as the 'responsible authority' under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003 and subsequent amendments.

2. All Parish and Town Councils were contacted requesting details of current allowances payable, if any. Only sixteen responded and of that response only five were paying allowances. (Appendix 1) The only request that came for consideration of change was from Stony Stratford Town Council (Appendix 2) suggesting that the factors used in the current scheme are outdated and recommending that alternative methods to differentiate size in an allowances matrix should be introduced.

3. Nevertheless due to the general lack of demand for change to the current allowances framework from Parish and Town Councils within Milton Keynes area the IRP does not propose any change to the allowances scheme, other than for indexing, at this time.

4. The Panel members were:

Don Latham, Private Local Government Consultant (Chair)
John Moffoot, former Assistant Director Democratic Services
Julie Mills, Principal at MK College
Ruth Stone, Director of Community Action MK
Paul Griffiths, Chief Executive MK Chamber of Commerce
Helen Davies, Resident of MK

TERMS OF REFERENCE

5. The Panel was asked to make recommendations on the payment of the 'Parish Basic Allowance', the level of the allowance and to whom it should be paid.

INFORMATION RECEIVED AND EVIDENCE CONSIDERED

6. All Parish and Town Councils in the Milton Keynes area were sent a short questionnaire to complete and send to the IRP that provided details of the scope and levels of allowances payable and the number of their employees. (Appendix 1)

7. From the information received, the Panel was unable to discern if the Parish and Town Councils pay a Civic Allowance to their Chairs (which can be paid in addition to the Parish Basic Allowance) under Section 15(5) of the Local Government Act 1972.

8. There is no national database for allowances payable in Parish and Town Councils. But from the Chair's experience many of the Parish and Town Councils do not pay either the Parish Basic Allowance to all Members or a differentiated Chair's Parish Basic Allowance (which is separate from and additional to the Chair's Civic Allowance that may be payable). This is reflected in the returns to this Panel – only five out of the 16 respondents pay a PBA and Chair's PBA – and they are generally the larger Parish/Town Councils as indicated by the number of employees. The sums payable range from £182 to £709.

9. In the last review undertaken in 2010 it was noted that a few of the larger Parish and Town Councils within Milton Keynes area do not pay the PBA or Chair's PBA, and that some Parish and Town Councils may only pay the Chair's PBA (generally the smaller ones). On the returns received for this review they range from £364 to £1,416.

10. The Panel noted that all Parish and Town Councils in Milton Keynes had been asked whether they wished to refer any matters to this (2014) Parish Independent Remuneration Panel. The only request that came for consideration of change was from Stony Stratford Town Council (Appendix 2) suggesting that the factors used in the current scheme are outdated and recommending that alternative methods to differentiate size in an allowances matrix should be introduced. Walton Community Council raised the issue of allowances for co-opted members which we address later in our report.

11. The Panel noted that the previous review (2010) made the following recommendations regarding the payment of a Parish Basic Allowance. The Panel sets out its recommendations for 2014 as follows:

	2006 £	2010 £	2014 (recommended) £
Town and parish councils achieving quality status with budgets of £50,000 and above:			
▲ Chairs	1,300	1,484.47	1,500
▲ Member	650	742.23	750
Town and parish councils achieving quality status with budgets of less than £50,000:			
▲ Chairs	650	742.23	750
▲ Member	325	371.11	375
Other town and parish councils with budgets of £50,000 and above:			
▲ Chairs	650	742.23	750
▲ Member	325	371.11	375
Other town and parish councils with budgets of less than £50,000:			
▲ No allowances are recommended			

12. The Panel noted that a number of Parish and Town Councils who pay a PBA and Chair's PBA may not meet the criteria set out by previous Panels – namely not meeting quality status and/or precept level. We also took note of the views of Stony Stratford Town Council that *'these factors are now outdated and especially that the quality Council system is currently the subject of a major review and that is unlikely that it will be relaunched until mid - 2014 at the earliest'*.

13. The Panel did not have the information available at this time to recommend a significant change to the existing scheme but recognised the future need to develop a new approach that will continue to provide a realistic but prudent allowances framework that enables Towns and Parishes to function dynamically as they take on more responsibilities and opportunities.

RECOMMENDATIONS

14. The Panel recommends that the 2010 framework is still broadly appropriate and that the recommended allowances shown in Paragraph 11 be implemented from 1st April 2014 and remain unchanged for the next three years (i.e. no indexing).

The Civic Allowance

15. The Panel notes that this recommendation does not affect the right of a Chairs or Vice Chairs of a Parish or Town Council to receive a Civic Allowance under section 15(4) of the Local Government Act 1972 which the Council think is reasonable for the purposes of meeting the expenses of those offices.

Travel and Subsistence Allowances

16. The 2003 Regulations and subsequent amendments permit Parish and Town Councils to pay travel and subsistence allowances for approved duties only to both elected and co-opted Members. **The Panel feels that travel and subsistence allowances should be payable for the attendance at approved duties out with (or outside) the boundary of the parish/town council only.** Nevertheless the Panel recognises that most councils do not have such a scheme because costs are so minimal. However, there are occasions when undertaking approved duties outside the council's area may result in significant travel and subsistence costs, which should be reimbursable for Members.

Mileage Rates – Payable outside respective Council area only

17. **The relevant rates should be those applicable to Members and Co-optees of Milton Keynes Council,** which in turn are based upon the rates applicable for Officers of Milton Keynes Council.

18. **Panel further recommends that further mileage rates (not covered by the National Joint Council approved rates) are included in travel allowances schemes for Parish and Town Councils to ensure completeness of the travel allowance scheme are included.** These should be based on HMRC rates, which are currently:

- ▲ Bicycle allowance: 20p per mile
- ▲ Motor cycle allowance: 24p per mile
- ▲ Passenger supplement: 5p per mile

Where public transport is used, then it is recommended that the same terms and conditions that are applicable to the Members of Milton Keynes Council are applicable to Parish and Town Councillors in the area. The guiding principle should be that value for money should be maximised in the use of public transport.

Subsistence Allowances – Payable outside respective Council area only

19. The relevant subsistence rates should be those applicable to Members and Co-optees of Milton Keynes Council, which are based on those paid to officers of the Council. The Panel confirms that subsistence allowances should only be payable when a Parish or Town Councillor undertakes an approved duty outside their respective council area.

20. The Panel further confirms good practice and recommends that subsistence allowances be reimbursed only on the production of receipts for expenditure incurred up to the maximums permitted.

Approved Duties

21. For clarity the Panel has set out below the statutory definition of approved duties for which members of Parish and Town Councils may claim travel and subsistence allowances for undertaking approved duties out with their Parish/Town Council area:

Travel and subsistence allowances may be payable only in respect of the following duties undertaken outside a Members' Parish/Town Council area:

- ⤴ **A meeting of the authority**
- ⤴ **A meeting of a committee or sub-committee of the authority**
- ⤴ **A meeting of some other body to which the authority makes appointments or nominations**
- ⤴ **Duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened**
- ⤴ **A meeting of a local authority association of which the authority is a member**
- ⤴ **Duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises**
- ⤴ **Any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees**

Indexation

22. The Panel feels that the same indices that are applicable for the same allowances payable to Members of Milton Keynes Council remain the most suitable for Members Allowances that may be payable in Parish and Town Councils.

23. The Panel recommends that the following indices are included in the scheme for the next four years:

- ⤴ **The Parish Basic Allowance and Chairs Parish Basic Allowance:** indexed to the annual salary percentage increase, as agreed each April by National Joint Councils for Local Government Staff.
- ⤴ **Travel and subsistence allowances:** indexed to same rates and conditions applicable to Milton Keynes Council Officers, and where applicable, HMRC rates.

ISSUES ARISING

Payment of allowances to co-opted members

24. Walton Community Council (WCC) raised the issue of allowances for co-opted members. 'WCC are of the opinion that co-opted councillors do as much work and are as much a part of the team as the elected members and payment of an allowance is in recognition of the level and scope of the work they do and that it would be prejudicial to co-opted members to exclude them from being able to draw an allowance.'

25. The Panel points out that by virtue of regulation 25(10) of the Local Authorities (Members' Allowances) (England) Regulations 2003, as amended by regulation 4 of the Local Authorities (Members' Allowances) (England) (Amendment) regulations 2004, the Parish Basic Allowance may be paid *only* to elected members of parish or town councils. **Full members of Parish and Town Councils (i.e. councillors) who have been co-opted or appointed (by virtue of Section 76 Local Government and Public Involvement in Health Act 2007) on to council in lieu of candidates coming forth at election time are not entitled to the Parish Basic Allowance. They are however entitled to claim travel and subsistence allowances where appropriate.**

WITHDRAWAL OF ALLOWANCES

26. The Panel notes that the 2003 Regulations permit the withdrawal of allowances from a Councillor when the Councillor is suspended from Council. This provision can only be implemented if it is included in the allowances schemes. **The Panel recommends that Parish and Town Councils make provision in their schemes for the withdrawal of allowances from any member who is suspended or partially suspended from their duties in the same terms as those in the Borough Council's Scheme.**

PUBLICITY

27. The Panel wishes to draw the attention of Parish and Town Councils that the Local Authorities (Members' Allowances) (England) regulations 2003 set out clear requirements for giving publicity to allowances and the reports of parish remuneration panels.